

IN 1999, PEPSI AMERICAS

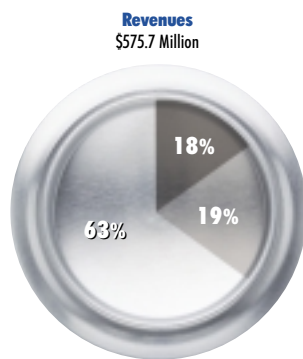
was formed through the MERGER

OF THREE geographically diverse

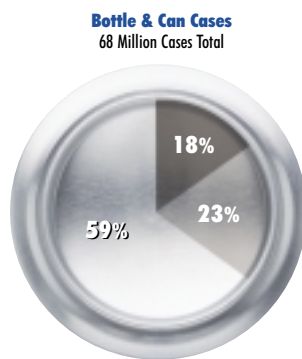
and independent PEPSI BOTTLERS...



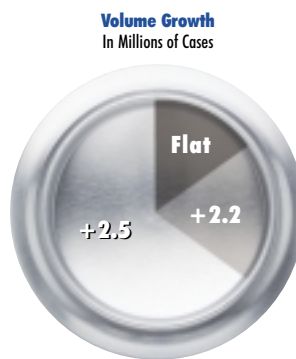
PEPSI AMERICAS
US / CARIBBEAN BOTTLING COMPANY



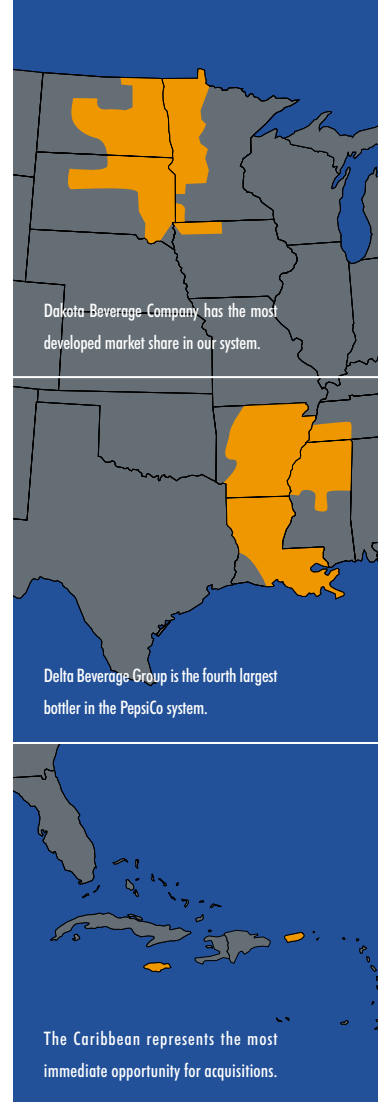
- Delta Beverage Group - \$362.2
- The Caribbean - \$111.3
- Dakota Beverage Company - \$102.2



- Delta Beverage Group - 41.0 cases
- The Caribbean - 15.5 cases
- Dakota Beverage Company - 11.5 cases



- Delta Beverage Group
- The Caribbean
- Dakota Beverage Company



PEPSI AMERICAS is well positioned

to CAPITALIZE on accelerating

industry consolidation...

PEPSI AMERICAS has a goal to
grow to \$1 BILLION in sales.

We are COMMITTED to improved operating results
and to MAXIMIZING shareholder value.

FINANCIAL HIGHLIGHTS

Fiscal Year Ended (Unaudited)

**December 31
1999** December 31
1998*

(Dollars in thousands, except earnings per share)

Summary of Operations

Net sales	\$ 575,743	\$ 548,371
Income (Loss) from operations	18,998	21,808
Income (Loss) before income tax minority interest and extraordinary item	(3,314)	1,095
Minority interest, net of tax	(560)	2,466
Income tax (expense) benefit	(4,832)	1,843
Income (Loss) before extraordinary item	(8,706)	5,404
Extraordinary item, net of tax	(744)	—
Net income (Loss)	(9,450)	5,404
Net income (Loss) per common share	\$ (0.11)	\$ 0.06
EBITDA, without nonrecurring items	51,718	44,528

Percent of Sales

Gross profit	31.9%	32.0%
Selling, general and administrative expenses	26.4%	26.8%

Key Financial Components

Cash, cash equivalents and short-term investments	\$ 8,317	\$ 23,551
Total working capital	60,564	51,598
Total assets	516,143	410,085
Long-term debt and other liabilities	294,119	238,320
Total shareholders' equity	109,455	62,058

*1998 results are on a pro forma basis and assume the PepsiAmericas combination was completed on January 1, 1998.

Note: results in 1999 were affected by special charges and income tax adjustments.
Please see the Form 10K for details.



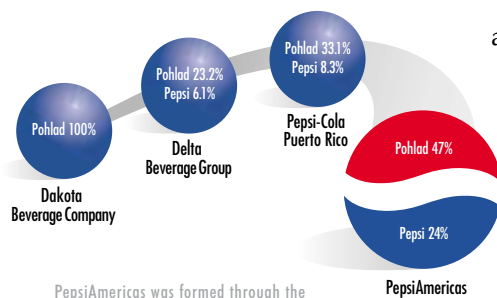
Welcome to a

NEW COMPANY

To our Shareholders:

1999 was a milestone year for our company. With the formation of PepsiAmericas Inc., through the merger of Delta Beverage Group, Dakota Beverage Company and Pepsi-Cola Puerto Rico, we created the third largest U.S.-based PepsiCo anchor bottler. With the combined strength of these three businesses,

and the support of PepsiCo, PepsiAmericas is positioned to take advantage of industry consolidation. This includes management and marketing focus on increased volume and share in existing markets and expansion in high growth markets — with particular emphasis in the Caribbean region.



PepsiAmericas was formed through the merger of Dakota Beverage Company, Delta Beverage Group and the publically held Pepsi-Cola Puerto Rico Bottling Company.

PepsiAmericas is managed by the same team that operated Delta, Dakota and Pepsi-Cola Puerto Rico, and both PepsiCo and Pohlads Companies have significant equity ownership in the new company.

Improved operating results in 1999.

PepsiAmericas net sales were \$575.7 million in 1999, up five percent from \$548.3 million in 1998. Pro forma numbers for 1998 are presented here for comparative purposes and assume the PepsiAmericas combination was completed on January 1, 1998. Income from operations before special charges and credits for 1999 was \$27.1 million, an increase of 14.4 percent from \$23.7 million in 1998, reflecting improved operating performance across the businesses. Fees and expenses related to the merger, including special charges associated with the combination of interests, tax adjustments and an extraordinary item, caused PepsiAmericas to report a net income (loss) of \$(9.4) million, or \$(.11) cents per common share, compared to pro forma net income of \$5.4 million, or \$.06 cents per common share in 1998. For a more detailed description of the comparison of net income between 1999 and 1998, please see the enclosed Form 10K.



The 1999 sales gain reflected an increase in volume (measured in physical cases) of 16.6 percent in Caribbean markets and 4.4 percent in PepsiAmericas' mainland U.S. markets. Volume increases were driven by promotional activity in all markets, and in the Caribbean were enhanced by the addition of brands at mid-year 1999 and by the entry into the Jamaican market late in the year. Net sales per case declined moderately in 1999 compared to pro forma 1998 reflecting increased volume of sales of lower priced cans in supermarkets, and additional promotion expense in the highly competitive Puerto Rican market.

Consistent with our plan, operating expenses in 1999, exclusive of the impact of acquisitions, increased less than sales reflecting significant expense reductions in Puerto Rico and the effect of volume increases on the largely fixed costs of delivery and warehousing systems. Across the PepsiAmericas business we are on track to continue our plan to improve operating performance in 2000.

Our operating results in 1999 demonstrate that we have a solid base to build on, and our management team has a proven track record of being good operators of bottling businesses. We believe that this depth of experience is crucial to our success.

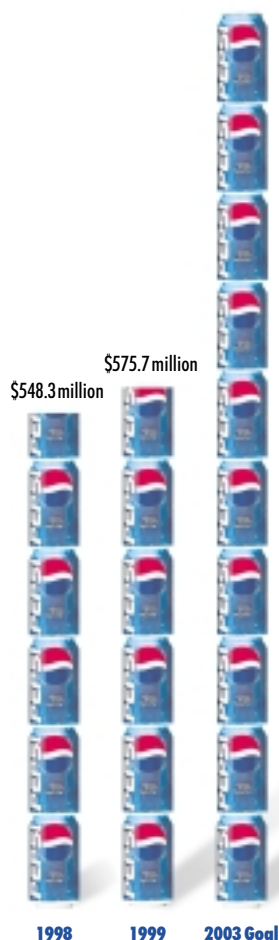
\$1 billion in sales.

It is our goal to grow to \$1 billion in sales by 2003. We will accomplish this in two ways. First, we must execute on the marketing basics. Optimization of product and package mix and consistent customer service will help us drive internal growth and our "fair share" in current markets. Second, we will grow through acquisitions where the most immediate opportunities are in high growth markets such as the Caribbean. We are continually evaluating the opportunities for strategic acquisitions and were able to close two in 1999.



From left: Kenneth E. Keiser, President and Chief Operating Officer; Robert C. Pohl, Chairman and Chief Executive Officer; John F. Bierbaum, Senior Vice President and Chief Financial Officer





During the third quarter, Cadbury Schweppes granted the exclusive rights for the production and distribution of Seven-Up, Sunkist, Welch's and Schweppes brands in Puerto Rico. These brands strengthen our product offerings for customers and consumers, while leveraging our production and distribution infrastructure there.

In December 1999, we completed the acquisition of the soft drink business of Desnoes & Geddes Limited, a Jamaican bottler of Pepsi products. This marks our entry into the Jamaican market and boosts our presence in the Caribbean.

Both acquisitions reflect our commitment to being a long-term player in the Caribbean. Growth there is driven by favorable demographics, warm temperatures and relatively low per capita consumption of soft drinks compared to more developed markets.

In closing, I'd like to thank all the people of PepsiAmericas for their commitment and dedication during this exciting time. Our people are our company and it is their efforts, contributions and competitive spirit that will drive our success. As the largest shareholder of PepsiAmericas, I have a personal stake in seeing this company perform, and to maximize value for all shareholders. It is my responsibility to see that we implement our strategies and achieve our goals, and I hope that you will expect that we will accomplish that. I look forward to continuing to report improved results, and to building on the strength of the Pepsi brands in the markets we serve.

Sincerely,

Robert C. Pohlad
Chairman and Chief Executive Officer
PepsiAmericas, Inc.

March 29, 2000



We are COMMITTED

to capitalizing on the strength of the Pepsi brands,

GROWING underdeveloped markets and

MAXIMIZING shareholder value.

